THE RESERVE DAY

Decision No. 27955

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of

MARKET STREET RAILWAY COMPANY,
a corporation, for an order authorizing the issuance of notes in connection)
with the purchase of trolley buses on
lease contract.

Application No. 19952

Wm. M. Abbott and Ivores R. Dains, for applicant.

BY THE COMMISSION:

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OPINION AND ORDER

Market Street Railway Company has applied to the Railroad Commission for permission to execute an agreement and to issue its promissory notes in the aggregate principal amount of \$87,642.00 for the purpose of financing in part the cost of eight trackless trolloy cars.

By Decision No. 27308, dated August 27, 1934, in Application No. 19567, the Commission authorized Market Street Railway Company to abandon street car service on fixed rails along its Harrison Street Route (No. 33) as described more specifically in that decision, and to substitute in lieu thereof overhead electric trolley bus service. Under the terms of the decision the authorization granted will lapse unless exercised by the company on or before August 27, 1935.

The present application shows that applicant, in order to place into operation the service authorized by Decision No. 27308, proposes to enter into a lease contract with The J. C. Brill Company whereby it will acquire for the sum of \$107,082.00 eight 40-passenger, two-motor trackless trolley cars, complete with electrical and air brake equipment, delivery to be made on or before July 15, 1935. The agree-

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ment with The J. &. Brill Company, a copy of which is filed as Exhibit "A", provides for the payment by applicant of the rental charge of \$107,082.00 as follows:-

The sum of \$19,440.00 in cash payable proportionately at the time of delivery of each trackless car, and the balance of \$87,642.00 in sixty lease warrants or notes maturing successively at intervals of one month, the first note maturing one month after date of issue. Interest at the rate of five percent per annum is included in each of the notes.

The company reports that at this time it owns no trackless trolley cars with which to render the service authorized by the Commission, and is unable to purchase any without the issuance of the notes, as applied for in this application. The Commission is of the opinion, having considered the company's request, that this is a matter in which a public hearing is not necessary, that the application should be granted, as herein provided, and that the money, property or labor to be procured or paid for through the issue of the notes, or lease warrants, herein authorized, is reasonably required for the purpose specified herein, therefore,

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IT IS HEREBY ORDERED that Market Street Railway Company be, and it hereby is, authorized to execute and enter into an agreement with The J. E. Brill Company substantially in the same form as that filed as Exhibit "A" attached to the application in this proceeding, and to issue, as provided in said agreement and in the terms specified therein, its promissory notes, or lease warrants, in the aggregate principal amount of \$87,642.00 for the purpose of paying in part the cost of the eight trackless trolley cars to be acquired through the execution of said agreement, provided,

- 1. That applicant shall keep such record of the issue of the notes, or lease warrants, herein authorized, and of the disposition of the proceeds, as will enable it to file within thirty (30) days after such issue, a verified report, as required by the Railroad Commission's General Order No. 24, which order; insofar as applicable, is made a part of this order; and
- 2. That the authority herein granted will become effective when applicant has paid the fee prescribed by Section 57 of the Public Utilities Act.

DATED at San Francisco, California, this 1316 day of May, 1935.

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Commissioners.

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